

CHANGE FROM PRIVATE TO PUBLIC COMPANY IN TANZANIA

The Companies Act, 2002 of the laws of Tanzania provides for procedures for changing a company from private to public. Since the status of a company is reflected in its Memorandum and Articles of Association, no alteration in the company may be accomplished without altering contents of either of these documents; therefore, this article is focused on procedures for alteration of such documents in that respect as follows: -

(i). Convening Extra-Ordinary General Meeting

Not less than 21 days' notice of extra-ordinary general meeting shall be issued to all members of the company and should notify the members regarding the purposes of such meeting that is, alteration of the Memorandum and Articles of Association with effect a change of a company from private to public company.

(ii). Passing of a Special Resolution

During extra-ordinary general meeting called for special resolution, members must pass a special resolution sanctioning the company to make alterations in its Memorandum and Articles of Association. Special resolution arising out of such a meeting shall, within time prescribed by law, be submitted to the Registrar of Companies for purposes of effecting changes.

(iii). Preparation of Necessary Documentation

After the company has passed special resolution regarding altering its Memorandum and Articles of association as such to reflect change of its status from private to public company. It must fill in Companies Form No. 29 pursuant to section 29 of the Companies Act, 2002, attaching to it new Memorandum and Articles of Association as altered by reflecting changes as sanctioned by the special resolution.

(iv). Submission of Documents to the Registrar

After fulfilling the above the requirements, the company will make a request to the Registrar of companies for a change of the name of the company and a new certificate to reflect a change from private to public within 14 days from the date of passing special resolution. This request will be supported by: -

- a. Special resolution,
- b. Memorandum and Articles of Association as it was before,
- c. Memorandum and Articles of Association as altered, and
- d. A duly-filled Form No. 29 regarding 'Notification of Ceasing to be Private Company'.

N.B:

- Time limitation for submission of these documents is fourteen (14) days from the date of passing the special resolution unless an application is made to the High Court objecting such alteration. The company must notify the Registrar of such objection.
- After the determination of the objection by court, the company must, within fourteen days from the date of an order cancelling or confirming the alteration wholly or in part, deliver to the Registrar of companies a certified copy of the High Court's order and, in the case of an order confirming the alteration wholly or in part, submit a printed copy of the memorandum as altered.

This article provides general highlights on a set of procedures necessary for converting a company from private to public. Nevertheless, you will need to consult your legal attorneys for close guidance before embarking on such assignments.

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